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PREFERENTIAL TRADE RELATIONS

BETWEEN

GREAT BRITAIN AND HER COLONIES.

AN ADDRESS

DELIVERED BEFORE THE

MONTREAL BOARD OF TRADE

JANUARY 20TH, 1896,

BY THE

HON. SIR CHARLES TUPPER, BART., G.C.M.G., C.B.,

SECRETARY OF STATE, AND FOR THE LAST ELEVEN YEARS HIGH COMMISSIONER
FOR CANADA IN ENGLAND.

(Reprinted from the Annual Report of the Montreal Board of Trade.)

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The Exchange Hall of the Board of Trade, as the centre of the commercial life of the city, naturally draws within its walls the most important business men of the community; but it is rare, indeed, to see such a large and representative gathering as assembled there yesterday afternoon. The size and quality of the audience were tributes at once to the eminence of the speaker, Sir Charles Tupper, Bart., up to a few days ago High Commissioner for Canada in England, and the importance of his subject—"Preferential Trade Relations Between Great Britain and Her Colonies." Sir Charles spoke for two hours, and dealt with his subject in a very vigorous and lucid style. His able array of the facts, showing the progress the question of preferential trade with the colonies has made in England during the last few years, was listened to with the greatest attention by the vast gathering which filled the hall and overflowed into the galleries, and the eloquent advocacy of the fast Atlantic service, with which he closed, was heartily applauded.

THOSE PRESENT.

Among the members of the Board of Trade present were:—Messrs. James Alexander, Andrew A. Allan, H. Montagu Allan, R. B. Angus, William Angus, A. A. Ayer, F. Bacon, John C. Badgley, George Baird, C. J. Baird, John Baird, Joel

C. Baker, John Black, W. M. Blaiklock, E. H. Botterell, A. J. Brice, H. A. Budden, W. B. Bulling, H. Bulmer, David Campbell, sr., David Campbell, jr., David N. Campbell, J. Stewart Carter, J. N. Chabot, Charles Chaput, Esmonde L. Clark, J. P. Cleghorn, William Clendinneng, C. E. Colson, John Corbett, E. F. Craig, W. W. Craig, John Crawford, A. M. Crombie, Charles H. Cunningham, James A. Cuttle, John Crowe, John Dillon, Hon. Geo. A. Drummond, George E. Drummond, John Dillon, Thomas J. Drummond, William Drysdale, William B. Evans, S. W. Ewing, Fred. Fairman, Thomas Forde, John Forman, A. D. Fraser, Donald Fraser, N. J. Fraser, Robert Gardner, Daniel Gilmour, W. E. Goodhugh, W. S. Goodhugh, O. M. Gould, A. W. Grant, Michael M. Green, Jacques Grenier, George Hague, Alex. Hamilton, M. Hannan, W. A. Hastings, Norman Henderson, Fred. C. Henshaw, Jonathan Hodgson, J. C. Holder, George R. Hooper, J. E. Hunsicker, Henry Joseph, Horace Joseph, J. H. Joseph, Edgar Judge, John Kennedy, John Kerry, G. M. Kinghorn, R. S. Kinghorn, William Kinloch, J. M. Kirk, G. A. Kohl, Hospice Labelle, J. B. Learmont, James Leggat, W. F. Lewis, Charles Lyman, John Magor, Victor Magor, E. J. Magor, J. W. Marling, S. E. Marsan, Henry Mason, F. Massey, Robert Meighan, Henry Miles, J. W. Molson, L. E. Morin, D. Morrice, J. T. McBride, J. T. McCall, W. C. McDonald, C. H. McFarlane, Alex. McFee, James H. McKeown, John McKergow, P. W. McLagan, D. W. McLaren, R. P. McLea, Ewan McLennan, Hugh McLennan, W. J. McMillan, W. McNally, James McShane, M.P.; Arch. Nicoll, T. Nicoll, William Niven, W. W. Ogilvie, James Oliver, C. N. D. Osgoode, E. W. Parker, Walter Paul, T. Peck, C. Peverly, C. S. J. Phillips, J. X. Perrault, Thomas Porteous, R. W. Reford, Captain Arch. Reid, James E. Rendell, F. H. Reynolds, John E. Riley, G. W. Robinson, J. D. Rolland, J. R. Rolland, F. A. Routh, J. H. Routh, George W. Sadler, Thomas Samuels, J. J. Semple, S. O. Shorey, James Slessor, Charles F. Smith, Sir Donald Smith, G. F. C. Smith, R. W. Shepherd, J. H. Stiles, R. Wilson-Smith, George R. Starke, J. Alex. Stephenson, Jas. Strachan, Jas. Thom, F. Wolferstan Thomas, George A. Thomson, W. F. Torrance, Thomas, Trimble, J. O. Villenave, Hon. J. K. Ward, Alex. McTavish Watt, D. A. P. Watt, William Weir, Richard White, E. A. Whitehead, R. E. Wight, Thomas Williamson, A. A. Wilson, James Wilson, Walter Wilson, W. R. Wonham, and A. C. Wieland.

The following members of the *Chambre de Commerce* were present :—Mayor Villeneuve, Messrs. J. D. Rolland, L. E. Morin, J. X. Perrault, Charles Catelli, ex-Alderman Cresse, and others.

On Sir Charles Tupper entering the hall the applause was loud and long. He was accompanied by Messrs. James A. Cantlie, President of the Board ; John Torrance, First Vice-President ; John McKergow, Second Vice-President ; Charles F. Smith, Treasurer ; George Hadrill, Secretary ; L. I. Boivin and Sir Donald Smith, who occupied seats on the platform.

The President briefly introduced Sir Charles Tupper, and stated the subject of his address, for which, he observed, no more fitting place could be found than the Board of Trade of the commercial metropolis of Canada, the head of ocean navigation, and the largest shipping port of the Dominion. They all recognized the value the work done by Sir Charles Tupper in forwarding the commercial interests of Canada, not only in Great Britain, but in other parts of the world, and, he was sure that those present, who were engaged in commercial pursuits, would find the address most instructive and valuable. (Applause.)

HOW THE ENGAGEMENT WAS MADE.

Sir Charles Tupper, who was very warmly received, said : Mr. President and Gentlemen of the Board of Trade,--I have great pleasure in meeting you here to-day. I may say, in a few words, how I came to be here. Immediately after my arrival from London, and when I expected, and, I may say, hoped, very shortly to return there, I had the pleasure of meeting your President at dinner, and I took the opportunity of pointing out to him my great anxiety that the Board of this, the great commercial metropolis of Canada, should pay great attention to an invitation which, I knew, had been forwarded to them, to send representatives to attend the great Congress of the Chambers of Commerce of the Empire, to be held in London in June next. I mentioned to the President the great advantage that I believed might result to Canada, if the various Boards of Trade and Chambers of Commerce all over this great Dominion availed themselves of the opportunity that they would then have of bringing under the notice, not only of the people of England, but of all the outlying portions of the Empire, which would be represented on that occasion, the views and sentiments on commercial questions that were held in this country. I had the great pleasure of co-operating with the delegates whom you sent to represent you, and who represented you so ably, at the second Congress of the Chambers of Commerce of the Empire, and I had reason to believe that the interests of Canada would be promoted in a very important degree, if you availed yourselves of the invitation now tendered you. Mr. Cantile was kind enough to suggest that, as I attached so much importance to this question and was desirous of reaching the people, not only of this great commercial centre, but of all the commercial centres in Canada, that, perhaps, it would be well for me to deliver an address to you on the subject. I at once said that, if invited to do so, I should be very happy to comply with the request. I am glad to know that we have still some questions in this country, and very important questions, too, that are outside of the domain of party politics. I am very glad to know that this is one of them. I took up the great organ of the Liberal party of this country--the *Globe* newspaper, of Toronto--and I found it there stated that Sir Charles Tupper proposed to deliver an address on preferential trade, in the city of Montreal. I was glad to find the statement that, on that question, every person in this country, of all parties, would hold up both hands in favor of preferential trade. (Applause.) That statement warrants me in believing that this question is outside the domain of party politics, and is one of the great questions on which gentlemen of all parties, interested in the progress and prosperity of Canada, may unite heart and hand. The *Globe*, however, went on to say that this was not the place to deliver the address--that no one required to be converted to these doctrines in Canada, for we were all agreed on them, but that England was the place to which we must look for the purpose of giving expression to what we so much desired, for upon England would rest the responsibility of carrying such a scheme into effect. And it went on to express a great fear that it would be a long time before we would be enabled to impress the people of the Mother Country with the value and importance of this great principle. I quite agree with the *Globe*; and it is with a view of pointing out to you some of the reasons why I think we may entertain the hope that, at no very distant date, we shall see this great principle of preferential trade recognized throughout the British Empire, that I appear here to-day--(applause)--to see if I can offer some encouragement from the standpoint which was calculated to advance the progress of this great question.

I may say that since I met Mr. Cantlie I have received a letter from the central committee, the organizing committee of the great Congress of Chambers of Commerce of the Empire, in which they have done me the honor to invite me to become one of the Vice Presidents. The Rt. Hon. Joseph Chamberlain, Secretary of State for the Colonies, has accepted the position of Honorary President of that Congress, and I was gratified—as I am sure you will be—to find that the first question that is to receive the attention of that great body is “commercial relations between the mother country and her colonies and dependencies.” (Loud applause.) I feel quite sure that you will agree with me in attaching great importance to Canada having as large and as able representation as possible from all the Chambers of Commerce and all the Boards of Trade throughout this wide Dominion. I may say, in passing, that it is not necessary absolutely to send a delegate, because any Board of Trade, or any Chamber of Commerce, will be entitled to name, as its delegate, if it is not convenient for it to send one from Canada, a gentleman who would have its confidence, and who resides on the other side of the water. I may say that I believe that the present moment is one singularly favorable for the consideration of this great question of preferential trade between the United Kingdom and her various colonies and dependencies, spread all over the world.

ENGLAND'S POSITION NOT SATISFACTORY.

The trade position of England is not a very satisfactory one. She is face to face with the important fact that, since 1890, there has been a decline in British exports of no less than £47,700,000 sterling. I think that I only require to mention these figures to you to show the great importance of that country turning its attention to the best means by which that decline, that serious, that vast decline, of something like 18 per cent. shall be arrested and the trade of that great country restored to its former position. Not only is that the case, but at this moment, as one and all of you are perfectly aware, agricultural depression is being felt most seriously throughout the United Kingdom. Public men, from the leader of the Government of that great country down to the humblest man who takes an interest in the affairs of the nation, are engaged in deploring the constant, steady decline in the great and important industry of agriculture throughout the United Kingdom. Since 1870, no less than 3,000,000 acres of land have gone out of wheat cultivation, and have been laid down to grass. And with what result? Land that, for the cultivation of wheat, would require twelve men can be tilled by a man and a boy when laid down to grass. The consequence is that there is a vast and steady procession of agricultural laborers, throughout the United Kingdom, wending their way to the great towns, and there becoming burthensome upon the country by furnishing an amount of labor for which there is no employment, and leaving hundreds and thousands of industrious and good men in the miserable position of having no work to do. This is a condition of things that has received the attention of the first minds in the United Kingdom, and I may briefly turn your attention to what is regarded by the highest authorities as the cause of this decline in the manufacturing industries, and which has given rise to such a tremendous falling-off in the export trade of England. When I refer to her trade, I refer to a decline of nearly £48,000,000—£47,700,000—sterling in the exports from Great Britain, which represents the manufacturing industry of that country. What is the cause? No less an authority than Lord Salisbury dealt with this subject in a memorable speech at Hastings in 1892. He said :

“Forty or fifty years ago everybody believed that free trade had conquered the world, and they prophesied that every nation would follow the example of England, and give itself up to absolute free trade. The results are not exactly what they

propheesied, but the more adverse the results were, the more the devoted prophets of free trade declared that all would come right at last; the worse the tariffs of foreign countries became, the more confident were the prophecies of an early victory. But we see now, after many years' experience, that, explain it how we may, foreign nations are raising, one after another, a wall—a brazen wall—of protection around their shores which excludes us from their markets, and, so far as they are concerned, do their best to kill our trade."

He also went on to say:

"We live in an age of war of tariffs. Every nation is trying how it can, by agreement with its neighbour, get the greatest possible protection for its own industries, and, at the same time, the greatest possible access to the market of its neighbors. This kind of negotiation is continually going on. It has been going on for the last year and a half with great activity. I want to point out to you that what I observe is that while A is very anxious to get a favour of B, and B is anxious to get a favour of C, nobody cares two straws about getting the commercial favour of Great Britain. What is the reason of that? It is that in this great battle Great Britain has deliberately stripped herself of the armor and the weapons by which the battle has to be fought."

I can give you no better illustration of the truth of Lord Salisbury's statement than to say that Spain made a treaty with the United States of America in which it was agreed that if the United States would not impose duties upon three or four articles that would give a preferential position in the markets of the United States, not only for the products of Spain, but, what was of still more importance, the products of the Spanish Antilles, Spain would give her compensating benefits. Then Great Britain said: "Surely, if you are going to give these advantages to the United States of America for such an insignificant and small consideration as allowing three or four articles, which you produce, to go into their country free, you will give the same to a country like England, which permits everything you have to send, either from Spain or her colonies, free into her markets." "Not at all," she said. "This is a boon that we have only power to give for a *quid pro quo*. We are only authorized to make concessions to countries for something they have to give us, and as you have given us all you have already, you have got nothing to give."

Consequently England, treating Spain in this spirit, found that, as Lord Salisbury said in the closing sentences of his speech, she had stripped herself of the armor and the weapons by which the battle had to be fought. Now, I need not labor that point, but I have given you, I think, a sufficient evidence of the cause of the decline in the magnificent industries of Great Britain by showing you that while the manufacturing interests of France and Germany and the United States of America and all other countries of the world are admitted free into Great Britain, without the charging of a farthing of duty on their products, these countries, instead of reciprocating, adopt quite the opposite policy. Cobden, when he introduced the doctrines of free trade, expected that other nations would follow England's lead and that free trade would become the policy of the world. But the contrary has been the fact. Instead of returning England's generosity, as Lord Salisbury says, they have built their tariff walls higher and higher against England, because they know she is powerless to defend herself or retaliate in the slightest degree for the course which they pursue. Now, what is the remedy for this state of things? I will quote another gentleman of the highest possible authority on all financial and commercial questions. There are few men in the United Kingdom who stand higher, as I am sure you will acknowledge when you hear his name. I refer to the Right Hon. Mr. Goschen, the former Chancellor of the Exchequer of

Lord Salisbury's Government and the present First Lord of the Admiralty. Mr. Goschen said at Sheffield, on May 22nd, 1889 :—

"Take the expansion of this country. I wish that a book called 'The Expansion of England' could be printed in a cheap form; it might be distributed amongst the working classes of the country, and then they might see what an interest they all have in the expansion of our colonies and in the maintenance of our dominions beyond the seas. There was an old toast which used to be drunk, 'Ships, Colonies, and Commerce,' but it is a toast which might be drunk with the same appropriateness in every workingman's club at the present day: 'Ships, Colonies, and Commerce.' What does it mean? It means prosperity in the industries of the country, good wages, and constant work."

Now, I may say that I gave a little attention to this subject in a paper which I read before the Royal Colonial Institute. You are well aware that at the great conference which was held in Ottawa it was resolved that the interests of all the colonies, and of the United Kingdom as well—in fact of the Empire as a whole—would be greatly promoted by two measures: One was the fast steam service between the United Kingdom and Canada and between Canada and Australia and Canada and the East, China and Japan, which we already have. Another was that the protection of Australia would be greatly promoted, and the commercial interests of Canada would be greatly promoted, if, in connection with this steamship communication between Canada and the great colonies of Australasia a Pacific cable was laid from Vancouver to Australasia. The result of this, of course, would be to make Canada a great central thoroughfare for a vast amount of traffic that would not otherwise come near it. This measure was attacked by two gentlemen especially. One was Sir John Colomb, a very estimable friend of mine, who took the opportunity of airing a favorite notion of his, that before anything was done for any colony it must contribute to the fund to maintain the British navy. The other was Sir John Pender, a very eminent authority in connection with cables, one of the great cable kings of the world, who attacked this project because, unfortunately, he thought it would militate (and he was not very much mistaken in that) against the lines of cable communication which had been established under his protection connecting the United Kingdom with Australasia.

In order to prevent the public sentiment from being thrown into a wrong channel by these efforts to take action against these great measures, and to prejudice the public mind and the Government of England, and to prevent the colonies from obtaining the assistance from the Imperial Exchequer, which was necessary for success, I read a paper before the Royal Colonial Institute, in which I undertook to show the vast interest that England has in both these subjects. I do not intend to weary you with the repetition of what I said on that occasion but I would merely draw your attention to the result of my investigations as to the value of the Colonial Trade as compared with the Foreign Trade of England, and to show that if England wanted to increase her trade, to maintain her pristine influence and position, in connection with her trade, she could adopt no better mode than to turn her attention less to foreign countries and more to the great colonies which form part of her own dominions. (Applause.)

I said on that occasion :—

"The maxim 'that trade follows the flag' is proved beyond question by the Trade Returns, which show that the self-governing Colonies and West Indies take of British exports, £2 18s. 9d. per head, as against 8s. 5d. per head of the population of the United States, or seven times as much.

"Six of the Colonies importing the largest quantity of British produce—the Cape, Canada, New South Wales, Victoria, New Zealand and Queensland—took in 1891 £3 11s. 10d. per head, as against 5s. 9d. head of the population of the United States, Germany, France, Spain, Brazil, and Russia together, or a little over twelve times as much.

"In 1892 the same Colonies took British goods to the extent of £3 1s. 5d. per capita, as against 5s. 5d. in the foreign countries already mentioned, or a little over eleven times as much."

The reason that I took and that I keep before you the trade between England and the Colonies in 1891, is that in that year a very serious financial crisis arose in Australasia, which struck down their power to import as they had previously done.

I am glad to know, and I am sure you are all glad to know, that they are rapidly overcoming that financial depression, and that, in a short time, they will resume their wonted strength in reference to the trade of their country.

COLONIAL AND INDIAN TRADE.

Now, I may draw your attention for a moment to the question of colonial trade, and, in order to show that I don't take any particular year, I have prepared a memorandum of the British exports to foreign countries and to the colonies and India, comparing the one with the other for periods of five years from 1870 to the present time, and I find these figures, when averaged, are very instructive as showing the development in the trade with the colonies and India as compared with that with foreign countries.

The average export of British and Irish produce to foreign countries between 1870 and 1874 was £174,280,811. In the period from 1875 to 1879 the average was £134,852,914, a decrease of 23 per cent. over the period 1870 to 1874. From 1880 to 1884 the average was £153,515,258, a decrease of 12 per cent. over the period 1870 to 1874. From 1885 to 1889 the average was £146,033,450, a decrease of 16 per cent. compared with the period 1870 to 1874. From 1890 to 1894 the average was £155,820,022, a decrease of 11 per cent. as compared with the period 1870 to 1874.

Now, I will contrast the trade with the colonies and India, in order to emphasize the immense interest that England has in cultivating trade with her own possessions, in preference to foreign countries.

The average export to the colonies and India between 1870 and 1874 was £60,415,799. The proportion of colonial and Indian trade to the total export trade was 26 per cent. From 1875 to 1879 the average was £66,622,866, or an increase of 10 per cent. The proportion of colonial and Indian trade to the total export trade was 33 per cent. In the period from 1880 to 1884 the average was £80,759,741, an increase of 33 per cent. over the period from 1870 to 1874. The proportion of colonial and Indian trade to the total export trade was 34 per cent. From 1885 to 1889 the average was £79,311,416, an increase of 31 per cent. over the period from 1870 to 1874. The proportion of colonial and Indian trade to the total export trade was 35 per cent. From 1890 to 1894 the average was £78,522,405, or an increase of 30 per cent. over the period from 1870 to 1874. The proportion of colonial and Indian trade to the total export trade was 33 per cent.

The average exports to the colonies, excluding India, between 1870 and 1874 was £40,193,061. This represents 17 per cent. of the total average export trade. From 1875 to 1879 the average was £43,294,585, or an increase of 7 per cent. over the period from 1870 to 1874. It represented 21 per cent. of the total export trade. In the

period from 1880 to 1884 the average export was £50,517,116, an increase of 25 per cent. over the period from 1870 to 1874. It also represented 21 per cent. of the total export trade. Between 1885 and 1889 the average was £48,305,051, an increase of 20 per cent. over the period from 1870 to 1874. It represented 21 per cent. of the total export trade. From 1890 to 1894 the average was £48,362,883, an increase of 20 per cent. over the period from 1870 to 1874. It also represented 21 per cent. of the total export trade.

It will be seen, therefore, that while the average decrease in the exports to foreign countries in the periods in question, compared with 1870 to 1874, has been 15 per cent., the average increase in the exports to the colonies and India in the same periods has been 26 per cent. In the case of the colonies, excluding India, the average increase has been 18 per cent.

No better evidence could be given of the immense importance of Britain doing all that lies in her power to develop her colonies, and to increase their population and their means of trade with her, in preference to devoting her attention to foreign countries.

BRITISH EXPORTS FROM 1866 TO 1894.

I have prepared a table showing the exports of British and Irish produce to foreign countries and British possessions, including India, from 1865 to 1894.

Year.	Foreign countries.	British possessions.	Percentage of B. P. on E. C. & B. P. together, including India.	India.
	£	£		£
1866.....	135,000,000	34,000,000	20	20,000,000
1870.....	148,000,000	33,000,000	18	19,000,000
1874.....	167,000,000	48,000,000	22	24,000,000
1879.....	131,000,000	40,000,000	23	21,000,000
1884.....	152,000,000	50,000,000	28	31,000,000
1889.....	165,000,000	52,000,000	23	31,000,000
1894.....	143,000,000	43,000,000	23	20,000,000

Decrease in exports of British and Irish produce to foreign countries, 1894, compared with 1870.....	4
Increase in exports of British and Irish produce to foreign countries 1889 over 1870.....	12
Increase in exports of British and Irish produce to British possessions (excluding India) 1884 over 1870.....	50
Increase in exports of British and Irish produce to British possessions (excluding India) 1889 over 1870.....	60
Increase in exports of British and Irish produce to British possessions (excluding India) 1894 over 1870.....	30
N. B.—1893-94 were very bad colonial years.	
Increase in exports of British and Irish produce to India 1889 compared with 1870.	63
“ “ “ “ “ “ “ 1894 “ “ “ “	52

The imports from Foreign Countries and British Possessions and India were:—

Year.	Foreign Countries.	British Possessions.	Percentage of B. P. on total, excluding India.	India.
	£	£		£
1866.....	223,000,000	35,000,000	13	37,000,000
1870.....	238,000,000	40,000,000	14	25,000,000
1874.....	288,000,000	52,000,000	15	31,000,000
1879.....	284,000,000	54,000,000	16	25,000,000
1884.....	294,000,000	62,000,000	17	34,000,000
1889.....	330,000,000	61,000,000	16	36,000,000
1894.....	314,000,000	66,000,000	17	28,000,000

		Per cent.
Increase in imports from foreign countries	1894 over 1870.....	32
" " " " " "	1889 " 1870....	40
Increase in imports from British possessions(excluding India) 1884	" 1870....	55
" " " " " "	1889 " 1870....	52
" " " " " "	1894 " 1870....	65
Increase in imports from India.....	1889 " 1870....	44
" " " " " "	1894 " 1870....	12

The trade returns for the year 1894 bear out the point that I have been endeavoring to make, viz., the vital importance to the United Kingdom of cultivating trade with her colonies. The colonial trade of the United Kingdom since 1893 has shown a greater recovery, both relatively and absolutely, than the trade with foreign countries. The imports from the colonies for the year 1894 were £2,142,712 more than in the previous year; the increase in the imports from foreign countries during the same period was £1,413,920, or more than £1,000,000 less increase than in the imports from the colonies. The exports to the colonies in 1894 were £2,616 more than in 1893, whilst the exports to foreign countries were £3,355,049 less, showing that the combined trade with the colonies was plus £2,145,328, whilst with foreign countries there was a decline of £1,941,120. The trade returns do not show the relative importance of the figures in this regard, as justice has not been done to Canada, and every gentleman here will appreciate that in a moment when I tell you why. You sent a great export of hay a year or two ago. When the hay crop was cut off and the cattle were all but starving in the United Kingdom, that country was able to successfully turn to the great Dominion of Canada and obtain a large amount of the best hay that has ever been consumed in the United Kingdom.

I might mention in that regard that a gentleman who fed 600 horses, gave me the information that he was able to keep his horses on Canadian hay in infinitely better condition at a very much less expense than on the best hay grown in the United Kingdom. (Applause.) I mention that for a double purpose—I want to point out to you the vital importance, in reference to every industry of that kind, of taking the utmost care when the market is opened, as to the quality of the exports. It seems to me that the Government of the country and the commercial centres are bound to adopt means, when the import trade is opened up, to prevent its being depreciated and injured by an inferior article being sent forward. (Hear, hear.) The other point which I wish to bring out, is that it has been demonstrated that when hay is required, this is the country to which, above all others, the United Kingdom may

look, and look with confidence, for the relief it needs. But what happened in the case of the greatly increased export of hay, to which I have referred? You found very little hay in the trade returns. I was reminded of the story of the lawyers pleading before the judge. There was a lawyer upon each side, and there was an intermediate lawyer, who was guarding some special interests. He got up and said to His Lordship: "I am like the donkey between two bundles of hay." The judge immediately put on his spectacles, and said, "I don't see the hay." (Laughter.) Well, when I looked into the trade returns I confess I did not see the hay. I investigated the subject, and I had a long correspondence, which is still going on, with the Colonial office and the Board of Trade of Great Britain. The same thing applies to all the products of this Dominion that go through United States ports. The trade returns credit the United States with those products, instead of crediting Canada.

The unacknowledged trade of the Dominion of Canada in the Imperial Returns forms a considerable amount annually, and it is a matter that calls for a special statement when the trade of Canada with the United Kingdom comes to be dealt with publicly on the basis of the returns of the Board of Trade.

Canada's geographical position coupled with the influence of the trade exchanges of the United Kingdom with the United States, leads inevitably to a considerable import and export trade with Canada being conducted through United States ports. This trade, however, invariably appears in the Board of Trade returns as purely with the United States.

For the fiscal year ended June 30th, 1894, the official trade returns of Canada show that the value of foreign goods passing in bond through the United States *direct* to the Canadian *importer* amounted to \$14,753,686. Of this amount fully two-thirds (\$10,000,000) probably represents imports from the United Kingdom, and Canada therefore loses the credit in the Imperial Returns of that sum, which goes to swell the trade with the United States. In a similar manner the *exports* of Canadian products, via the United States, in bond, for the same period, is given as \$11,485,357, almost the whole of which is sent to the United Kingdom, and on their arrival there credited to the United States. On the other hand the United States use the Canadian route for a portion of their exports to the United Kingdom, the amount so forwarded during the same period being \$6,471,567, credited to Canada in the Imperial Returns. Thus, on balance, Canada still loses the advantage in the English returns or her exports to Great Britain of \$5,000,000, and on the imports from Great Britain \$10,000,000, or a total annually of say \$15,000,000.

It may be added that a certain quantity of imports into the United States from Great Britain are forwarded via Canada. There are no figures to show this trade, but it would have to be deducted from the \$15,000,000 above mentioned, in order to be statistically accurate.

I hope to have the assistance of commercial men in this country in the attempt to secure for Canada credit for the trade to which she is entitled, but the point to which I just now wish to draw your attention is that, if it were not for this failure of the trade returns to show the country of origin you would find this contrast that I have just given, that is already so largely in favor of the colonies, would be vastly increased, and we should stand very much higher, with reference to our export trade to the mother country, than we do at present. (Applause.)

I am now dealing with the question of how the remedy is to be found for the condition of things in the United Kingdom which I have described, revealing such

an alarming falling off in the trade of the country. I have pointed out that all the trade returns and the investigation of the ablest men agree upon this point, that if England wishes to expand her trade she has got to expand it with her colonial possessions; if she wishes, instead of retrograding, to go forward, all she has to do is to promote the development of her great colonial possessions, and in that way to obtain a market for the products of British and Irish industries that she cannot hope for by looking to foreign countries, who day by day and year by year are building up higher and higher tariff walls against her to shut out everything British from going into these countries, instead of reciprocating the manner in which Great Britain treats them by allowing everything they have to come in free and to compete with their own industries without paying a farthing to the revenue of the country.

I will now draw your attention to this point that I think requires to be labored, and that is that preferential trade with the colonies is the great means for England to recover the ground she is fast losing. I have shown you some reasons why we have the ground for advocating that policy in the interests of the United Kingdom as well as in the interests of the colonies, in fact the interests of the Empire as a whole. I might say here that when I am told that this question of preferential trade is making no progress in England, I think I may venture to say, that those who make that statement do not know what they are talking about. My friend, Sir Donald A. Smith, who is sitting on the platform with us to-day, and my friend, Mr. Perrault, who sits before me, will bear me out in the statement, that, at the last Congress of the Chambers of Commerce of the Empire, held in London, in 1893, the only question that really obtained great and elaborate consideration was this question of preferential trade with the colonies. After ten or eleven years' residence in London, during the time that the office of High Commissioner has been under my charge, I have no hesitation in saying that, conservative as they are in England—I was almost going to say fossilized with reference to the adoption of any new principle, for you can hardly conceive the difficulty there is in that country in getting anything that is new or anything that means a change taken up and adopted—I have no hesitation in saying that I have never witnessed on any question such a radical, thorough and widespread change as is pervading the public mind in the United Kingdom from one end of it to the other in favor of preferential trade with the colonies. (Cheers.) Even half a dozen years ago you could not have two hour's discussion in that great Congress of the Empire on this question of preferential trade, and yet these gentlemen whom I have mentioned know that for two days this was the only subject discussed, and more attention was given it than to anything else. But then, they say, we were beaten. Beaten—what does that mean? I wonder if the Corn Laws were repealed when repeal was first proposed by Richard Cobden and the other great men who advocated it. Why, it was after long effort, continued year after year, that they actually got the public mind to take hold of the question at all. Here was a question that was comparatively new, that was advocated practically for the first time at this Congress in 1893. What was the result? I am afraid to speak from memory, and not anticipating that this question would come up I have not the figures under my hand, but my recollection is that we were defeated by 34 votes to 27. I think those are about the figures, and I regarded it as a perfect triumph of the cause that we advocated, indicating a most wonderful change of public opinion. That is not all. I took the subject up, and in an article which I communicated to one of the quarterlies, over

my own signature, I pointed out that if the representatives of Chambers of Commerce in Australia and the Cape had all of them voted with us, according to the instructions that they had received, and according to the opinions that the Governments held and maintained, the resolution would have been carried. I do not hesitate to say that if Canada does justice to herself, and sends to the Congress, to be held next June, such a representation as she ought to send, and charged to uphold this policy, which was approved by the Ottawa Conference, I have not only no doubt that the resolution will be handsomely carried by the Congress of the Chambers of Commerce of the Empire, but I am sure that an impression will be made on the mind of the Government of England and the great commercial centres of England that will result at an early day in the adoption of this principle. (Cheers.)

Canada cannot be charged with not having done her duty, for, on April 25th, 1892, this resolution was put on the journals of the Dominion House of Commons :—

“That if and when the Parliament of Great Britain and Ireland admits Canadian products to the markets of the United Kingdom upon more favorable terms than it accords to the products of foreign countries, the Parliament of Canada will be prepared to accord corresponding advantages by a substantial reduction in the duties it imposes upon British manufactured goods.”

The House of Commons of Canada obtained great attention in the United Kingdom at that time. The most potent indicator of public sentiment in Britain came out with an article in which it said that it did not know that this was exactly free trade, but, after all, free trade was made for man, and not man for free trade, and if the other colonies adopted the principle propounded in this resolution, it would be the duty of the government of the day to give careful consideration to the best means by which effect could be given to that principle. (Applause.) That has already taken place. A very remarkable thing, a thing that, a few years ago, would have been regarded as utterly futile for any person to attempt, was accomplished when

THE GREAT COLONIAL CONFERENCE

was held at the seat of government of Canada, at which representatives from South Africa, representatives from Australia and representatives from New Zealand met the representatives of Canada and met the representative of Her Majesty's Government, the Earl of Jersey, who had been sent from England for that purpose. I am proud to know that that great movement was removed entirely from anything in the shape of party, or partizan politics. need not remind you that on that occasion the late lamented Sir John Thompson uttered a most eloquent eulogium upon that great event, and pointed out the tremendous advance of Canada and the colonies, as exemplified by the fact that such a conference had been held. But that eloquent speech was, perhaps, exceeded by one made by Mr. Laurier, the silver-tongued orator of the Canadian Parliament. (Applause.) I may tell you that I had the honor, the pleasure and the great satisfaction of reading a resume of these speeches to a large body of commercial gentlemen, and they were received with most hearty acclaim. There was but one voice and sentiment throughout the United Kingdom as to the significance and importance of that conference, at which this resolution, among others, was passed :—

“Whereas the stability and progress of the British Empire can be best assured by drawing continually closer the bands that unite the colonies with the Mother

Country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare;

"And whereas this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products:

"Therefore resolved: That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favorable footing than that which is carried on with foreign countries;

"Further resolved: That until the Mother Country can see her way to enter into customs arrangements with her colonies, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favored customs basis than is accorded to the like products of foreign countries;

"Further resolved: That for the purpose of this resolution the South African Customs Union be considered as part of the territory capable of being brought within the scope of the contemplated trade arrangements."

That is the principle upon which, I hope, the Boards of Trade throughout this Great Dominion, irrespective of whatever party they may be composed of, will instruct their delegates to act at the Great Congress of Chambers of Commerce of the Empire to be held in June next. If they do, I have no hesitation in saying that I believe that policy will be triumphantly adopted, and the effect upon the public mind and upon the Government of England will be one of which you will have no reason to complain. The Right Hon. Joseph Chamberlain has taken up, with great zeal and his accustomed ability, the question of how best to promote trade between the United Kingdom and the outlying portions of the Empire. A despatch has been sent to all the colonies inviting them to give suggestions and to point out how best to promote closer commercial intercourse between the colonies and the mother country; but I believe that Mr. Chamberlain will search long and far before he will find any means half so effective to accomplish the end he has in view as the adoption of the principle placed on record by the Intercolonial Conference. From the highest source come the warmest commendation of the proceedings at that Conference. In the Queen's speech at the prorogation of Parliament on August 25th, 1894, it was stated:

"A conference was held at Ottawa in the month of June last, at which representatives of the Imperial Government, the Dominion of Canada, the Cape and the Australian Colonies met to consider questions relating to intercolonial tariffs and communications.

"I have learnt with satisfaction that the proceedings of the Conference were of a character calculated to strengthen the union of the colonies concerned, both among themselves and with the Mother Country."

Lord Rosebery's Government, which was then in power, raised no difficulty in connection with the matter, but gave it the imprimatur and approval of the Sovereign.

SOME OF THE DIFFICULTIES.

You will naturally expect me to refer for a few minutes (and I hope I am not wearying you too much) to the difficulties to be encountered in this struggle. It is an old saying that "to be forewarned is to be forearmed," and if we can appreciate exactly the difficulties with which we have to deal and can remove them, we shall have won the battle. The first point with which we are met is: But this would be protection, for you want Great Britain, which now admits free the products of all countries alike, to draw the line and say, "A portion of the world's surface is occupied by the English-speaking race, and they are entitled to favors that foreign

countries have no claim to whatever." (Loud applause.) We point them to Spain, to France, to Holland, and to all the governments in the world, and we defy them to show one on the face of the globe that does not make a difference in commercial matters and commercial intercourse in favor of its own colonies.

Some people have the folly to argue that England's foreign trade is so much, and that her trade with her own possessions is much smaller. I believe that if the policy to which I have referred was adopted, these figures would be relatively changed.

There is no reason why, if England adopted a policy favoring her own colonies, foreign countries should, for a moment, have the slightest ground of complaint.

England, free trade country as she is, now raises twenty millions of pounds sterling per annum, or about that—it was £19,000,000 odd this last year—in customs duties, and if she says to these foreign countries which, as Lord Salisbury said, are building up a brazen wall of protection higher and higher against her instead of meeting her with any consideration for the favor that she shows them, if she says: "We are going to adopt, not your policy of a protective tariff, but we are going to put an insignificant duty, not a duty of thirty or forty or fifty per cent against your product, but say a duty of ten per cent, while we allow everything to come in free from our own dependencies, and thus we propose to raise a small additional portion of our revenue." And it would not be a small additional portion; it would be enough to pay the cost of her army and navy if she charged ten per cent on what now comes in free. If England said this, there would be no country in the world that would have the slightest ground to call it protection. But that question has been dealt with by as high authority as the present Prime Minister of Great Britain. Lord Salisbury was applied to, if it would be protection for England to make an arrangement for her colonies to come in under more favorable circumstances than foreign countries. He instructed his private secretary to write under date April 5th, 1887: "I am to reply that Lord Salisbury does not imagine that differential duties in favor of our colonies, whatever may be said for or against them," (he is a very cautious man, as you see) "can properly be described under the term protection."

There is this story of their being obliged to oppose preferential trade, because it is contrary to free trade principles, wiped away by a single stroke of the pen of Lord Salisbury, and it commends itself to any public man in any country in the world that such a policy as that cannot properly be called protection or involving any abandonment whatever of the principles of free trade to which England has held so long.

THE BELGIAN AND GERMAN TREATIES.

Now, there is another objection, and it is a lion in the path to many. It is the German and Belgian treaties. At the intercolonial conference to which I have already referred, the following resolutions on this subject were passed:

"That provision should be made by Imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity including the power of making differential tariffs with Great Britain, or with one another.

"That this conference is of opinion that any provisions in existing treaties between Great Britain and any foreign power which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other, or with Great Britain, should be removed."

The Ottawa conference, therefore, asked the mother country to adopt such measures as would remove, by statute, all the impediments that stood in the way of commercial arrangements or reciprocity treaties between the various colonies.

As I dare say you know, when that Congress met we could not have any treaty with

any of those Australasian colonies because under their charter, which gave them their constitution, they were deprived of the power of making any commercial arrangements outside their own borders. The law has already been changed, and to-day Canada is in a position to enter into reciprocal treaties with any one or with all of the Australasian colonies in such a way as may be found the most expedient and best calculated to develop the trade between Canada and those colonies. But we want to go further. We want those Belgian and German treaties removed, and that has been pressed upon Her Majesty's Government. I will detain you for a moment while I read you Lord Salisbury's opinion on those treaties, and I think, when I have read you that, you will consider that it is not quite so hopeless as many people suppose to get them changed. In reply to an address from the United Empire Trade League, who proclaim to all that their policy is such a free admission of colonial products into Great Britain, and the imposition on the products of foreign countries of a slight duty in order to favor the outlying portions of the Empire, Lord Salisbury said :

"Those two unlucky treaties were made by Lord Palmerston's Government some thirty years ago."

This was in June, 1891, so that it would now be thirty-three or thirty-four years ago. Lord Salisbury continued :

"I am sure that the matter of the relation of our colonies could not have been fully considered. We have tried to find out from official records what species of reasoning it was that induced statesmen of that day to sign such unfortunate pledges; but I do not think they had any notion that they were signing any pledges at all. I have not been able to discover that they at all realized the importance of the engagements upon which they were entering. I think I can give you, with the greatest confidence, an assurance that not only this Government, but no future Government will be disposed to enter into such engagements again. We shall be glad, indeed, to take every opportunity that arises for delivering ourselves from those unfortunate engagements."

Why these treaties were made no one can tell. No one would presume to make such a treaty now, but while these treaties last it would be impossible to give preferential consideration to the products of the colonies without giving the same to Belgium and Germany, to whom that had been accorded in express terms. It has also been extended to almost every other nation in the world, because, having most favored nation treatment, they are entitled to claim whatever Belgium and Germany can claim. In order to establish preferential trade, it is necessary that those treaties with Belgium and Germany should be modified by taking out that clause that relates to the colonies, and, as I have told you, Lord Salisbury, instead of saying that it was a thing that was not to be thought of, or a matter of no consequence, said : "We shall be glad indeed to take every opportunity that arises for delivering ourselves from those unfortunate engagements." He admits that it is an evil for the United Kingdom to be bound by treaties which prevent her making any arrangements with her colonial dependencies that she may desire. Then he says, with reference to this question of preferential trade :—

"You have to state the details of your policy, and spare no pains in the effort of impressing it upon your fellow-men. But it is essential that you should explain it. You must submit to your countrymen precisely what it is you want them to do, so that they may examine what will be the results upon their commerce and their own life, so that an estimate of their exact value may be formed, and they may give effect to their opinions in consequence. I am sure that those who are thoroughly convinced of the truth of their doctrines will feel this ordeal to be one from which they will not shrink, but will heartily welcome, and devote all their energies to it.

I would ask you first to give to your propositions sharpness and definiteness, so that these matters may be threshed out and argued before the country. I know the ordinary view of the duty of the Government is to devise for itself the measures it may bring forward, and then let them take their chance, whatever that may be. And no doubt it is in a great measure true with respect to the large mass of legislation on secondary questions that they have to propose; but it is not true with respect to 'an organic question which concerns and will control the very existence of our Empire and the very foundation of our trade.' On this matter public opinion must be framed or formed before any Government can act. No Government can impose its own opinions on the people of this country in these matters. You are invited, and it is the duty of those who feel themselves to be the pioneers of such a movement and the apostles of such a doctrine, to go forth and fight for it, and when they have convinced the people of this country, their battle will be won."

I give that to you as sound, constitutional doctrine. No man has the right to ask the Prime Minister of England to embarrass his government by the adoption of a policy for which the country is not prepared. He says: "You must educate the people; bring the public mind into unison with yours; get the people to ratify your doctrine that the colonies should be put on a better footing than foreign countries. Let the people of this country be convinced of that, and you will have no trouble with me." It is in response to this that I ask the Boards of Trade, which are charged with the commercial interests of the Dominion, to fight that battle, and I trust that, not only by Canada, but by Australasia and South Africa, the matter will be pressed home upon the minds of the people of England, and it can be done in no place, and under no circumstances, better than by an able presentation of the question at the forthcoming Congress of Chambers of Commerce of the Empire.

Another very high authority, a gentleman who is now occupying the important and distinguished position of Chancellor of the Exchequer, Sir Michael Hicks-Beach, when this subject was discussed in Parliament on February 9th, 1892, said:—

"The treaty of 1862 with Belgium, and the treaty of 1865 with the Zollverein, do not prevent, as I think my right honorable friend is aware, the establishment of any kind of relations between the different colonies of this country. All they do prevent is the establishing of, so to speak, preferential relations between the United Kingdom and one of the colonies, and one of the colonies and the United Kingdom. I am willing to admit that those provisions in the treaties are relics of a past generation. We should not dream, at the present day, of entering into any commercial treaty with foreign nations affecting our self-governing colonies without the consent of these colonies, and the colonies are well aware of that. I do not think it advisable that we should be bound by any treaties of the kind, which would prevent us from establishing any relations between our colonies and ourselves."

Therefore, you have not only Lord Salisbury's statement, but I have given you the authority of Sir Michael Hicks-Beach bearing upon this important question.

REPLY TO LORD RIPON.

You will probably say to me, "Has not there recently been a very important pronouncement upon this matter by the late Colonial Minister, the Marquis of Ripon?" Quite true; and I shall never mention his name, except with the most profound respect, because I was indebted to him, for about three years, while he held the position of Colonial Minister, for the utmost kindness personally, and for the most constant and earnest consideration of every question that I brought before him in the interest of Canada. But on this question I think he is a little behind the age, and I propose, very briefly to deal with his statement on these treaties.

Paragraph 49 of his elaborate despatch dealing with this subject, says:—

"The following figures may serve to indicate generally how the interests of the United Kingdom are affected:—

"The annual value of the exports from the United Kingdom, according to the statistical Abstract, may be roughly estimated as having been in 1893:

To Germany.....	£28,000,000
To Belgium.....	13,000,000
Total.....	£41,000,000

"The value of exports from the United Kingdom to all the self-governing colonies for the same year may be roughly estimated at £35,000,000 (India not included).

"The comparison would not be quite the same if account were taken of the exports of British and Irish produce only. Here it would seem that the exports from the United Kingdom to British self-governing colonies exceed the exports to Belgium and Germany. The self-governing colonies, moreover, being geographically distant, the exports to them give proportionately more employment to shipping than do exports to adjacent countries like Belgium and Germany. But the exports to Belgium and Germany are undoubtedly important in themselves."

It may be as well to state that the British exports to Germany in the year in question were £17,608,457, the re-exports of imported articles amounting to £10,256,037. To Belgium the British exports were £7,128,862, and the re-exports £5,887,588. The British exports, therefore, to Belgium and Germany are under 25 millions sterling.

It may be mentioned in this connection that the population of Germany and Belgium is about 56 millions, while the white population of the self-governing British Colonies, excluding India, is under ten millions, and yet the trade with the self-governing colonies, apart from the re-exports, was ten million more with the ten millions of people than it was with the fifty-six millions.

It is not clear why Lord Ripon should confine his comparisons to the trade with Belgium and Germany with that with the self-governing colonies, as the restrictive treaties with the countries in question affect all the colonies, and not only the self governing ones.

The following tables, however, are interesting as explaining at a glance the trade of Great Britain with the self-governing colonies and with Belgium and Germany.

Table 1 enumerates the total export trade to the self-governing colonies and to Belgium and Germany. Table 2 enumerates the export of British and Irish produce: (a), to the self-governing colonies; (b), to all the colonies; and (c), to Belgium and Germany. Table 3 gives the same information as in Table 2, with the exception that in the second column the exports to India are included.

TABLE I.

	Self-governing Colonies.	Belgium and Germany.
1870	£20,282,000	£37,041,000
1880	34,430,000	42,043,000
1884	41,024,000	45,569,000
1889	44,850,000	44,962,000
1890	43,546,000	44,111,000
1891	45,194,000	43,116,000
1892	38,647,000	42,455,000
1893	34,897,000	40,970,000
1894	34,387,000	42,258,000

TABLE II.

	Self-governing Colonies.	All Colonies.	Belgium and Germany
1870.....	£18,540,000	£32,511,000	£24,867,000
1880.....	31,267,000	44,803,000	22,729,000
1884.....	36,649,000	50,291,000	27,239,000
1889.....	40,019,000	52,231,000	25,707,000
1890.....	39,360,000	53,729,000	26,932,000
1891.....	40,703,000	54,778,000	26,178,000
1892.....	34,633,759	46,727,000	24,526,000
1893.....	30,680,000	43,239,000	24,827,000
1894.....	30,711,000	43,340,000	25,427,000

TABLE III.

	Self-governing Colonies.	Colonies and India	Belgium and Germany.
1870.....	£18,540,000	£51,814,000	£24,897,000
1880.....	31,267,000	75,254,000	22,739,000
1884.....	36,649,000	80,875,000	27,229,000
1889.....	40,019,000	83,276,000	25,707,000
1890.....	39,360,000	87,370,000	26,932,000
1891.....	40,703,000	85,956,000	26,178,000
1892.....	34,633,000	74,630,000	24,526,000
1893.....	30,680,000	72,015,000	24,827,000
1894.....	30,711,000	72,640,000	25,427,000

Table No. 1 is interesting as showing that between 1870 and 1891 there was a continuous development in the total export trade to the self-governing colonies, and that in the last-named year it had become greater than the exports to Belgium and Germany. It is true that there has been a falling off since 1891, but that is entirely owing to the financial and commercial crisis which has affected Australasia in recent years.

The tendency seems to be for the export trade to Belgium and Germany to decline, while, but for the depression in Australia, there is very little doubt the figures or the self-governing colonies would now have been in excess of what they were in 1891. An early recovery may also in all probability be looked for.

Table No. 2 is probably more useful for the purpose of showing the fallacy of Lord Ripon's arguments than Table No. 1. Table No. 2 only includes the exports of British and Irish produce, the re-export of imported foreign and colonial merchandise being omitted. It will be seen that in the case of the self-governing colonies there was a remarkable development between 1870 and 1891, the trade having more than doubled, while in the same period the exports to Belgium and Germany showed a very trifling expansion. It is well to remark also that, while the exports of British and Irish produce to the self-governing colonies in 1891 were £40,703,000, to Belgium and Germany in the same year they were only £26,178,000. There has been a falling-off since 1891, owing to the Australian crisis, but even in 1894 the export of British

and Irish produce to the self-governing colonies was £30,711,000, as against £25,427,000 to Belgium and Germany, such exports to the colonies being, therefore, more than double those to Belgium and Germany. This statement seems to me to be fatal to the arguments Lord Ripon has used in this connection.

The exports have fallen off since 1891, as before explained, but even in 1894 the export of British and Irish produce to all the colonies was 72 per cent. greater than to Belgium and Germany. It will be seen that British exports to the colonies were more than three times as large as those to Belgium and Germany, while, even in 1894, notwithstanding the large decrease in the colonial trade, the proportion remained nearly as three to one.

Paragraph 50 of Lord Ripon's despatch reads:—

"The denunciation of the treaties with Belgium and Germany would thus expose the trade of the United Kingdom to some risks, and might possibly be followed by a loss of some part of the export trade to those countries: probably of some portion of it, which consists in the distribution of foreign and colonial produce. With the denunciation of the treaties, the commerce of the Empire with these countries would have to be carried on under fiscal conditions subject to constant changes and fluctuations, or at all events, without that permanence and security which is of primary importance to successful and profitable interchange. It would be extremely difficult, in existing circumstances, to negotiate new treaties of a satisfactory character at an early date, and the loss which might in the meantime result to a trade of forty-one millions sterling would, perhaps, prove to be irreparable. On the other hand, no scheme has been proposed which foreshadows any precise advantages to be secured to the export trade, amounting to thirty-five millions sterling, from the United Kingdom to the British colonies in the event of the termination of these treaties."

In the first place, it appears to be overlooked that British imports from Germany amount to £23,364,849, and from Belgium to £16,849,979. It will be seen, therefore, that our imports from Germany are 50 per cent. larger than our exports of British produce, while our imports from Belgium are more than double what we export to them. Surely, both Belgium and Germany would hesitate before taking any measures to interfere with our export trade, if they were given to understand that in those circumstances attention would be directed to our imports from them. There is little doubt that a firm representation on the subject, dealing with the matter from a general point of view, would lead to the abrogation of the particular clauses of the treaties, and the insertion of another one providing, as in modern treaties, that the British colonies should become parties to the treaty or not as they wished. In these circumstances, the trade of the United Kingdom would not suffer at all, and the colonies would be enabled to negotiate treaties on their own account with Belgium and Germany, if they wished to do so, or to become parties to the existing treaties and the general most favored nation clauses. In any case, inter-imperial preferential trade would become a possibility.

Paragraph 51 of Lord Ripon's despatch reads:—

"I may further observe that the self-governing colonies themselves would lose any advantage they now derive from their inclusion in the German and Belgian treaties; since, if those treaties were denounced, both countries would, in view of the circumstances attending the passing of the resolution of the Colonial Conference and in view of the high tariffs existing in many of the colonies, no doubt decline to include the British Colonies in any new treaty that might be negotiated, and considering the small amount of their trade, it would be very difficult for them, if in an isolated position, to secure advantageous terms except by very heavy concessions. In this connection, it might be expedient for the self-governing colonies themselves to consider how much their interests are involved. A large item in the

exports from the United Kingdom to Belgium and Germany is 'wool,' about £8,000,000 in value, largely, there is no doubt, colonial wool. Other articles of colonial export also find a market in Belgium and Germany."

It would almost seem that the proposals of the colonies are not understood by Her Majesty's Government. They merely wish the objectionable clauses to be done away with, which provide that Belgian and German products should be admitted into the colonies on the same terms as imports from Great Britain. They would have no objection to the general most favoured nation clause in the treaties, binding themselves to give Belgium and Germany any other concessions they might give to foreign countries. This might form part of the proposals to be made to Belgium and Germany for the modification of the treaties, and it would get rid of the difficulty which has given rise to the discussion, and place the colonies in the same position as they are under many of the other treaties in operation, which bind them to treat imports from certain foreign countries on the same terms as may be accorded to any other power. As already stated, this would leave the trade relations of Great Britain and the colonies unhampered.

It is more than probable that Belgium and Germany would consider twice before refusing the modification that is asked for, if it involved the abrogation of the treaties and the negotiation of new ones. Both treaties contain stipulations relating to other matters than trade, and affect the subjects of the different countries when domiciled in Belgium, Germany and the British Empire respectively. These clauses probably affect Belgium and German subjects much more than British subjects, for the reason that there are many times more Belgians and Germans in Great Britain, apart from the other parts of the Empire, than there are British subjects in Germany and Belgium. Therefore, Belgium and Germany have a greater interest in meeting the views of Her Majesty's Government than they otherwise would have, and I have no hesitation in saying that I believe that a firm stand by that Government on these treaties would result in the colonies being enabled to make with Belgium and Germany treaties to suit themselves, in the same way as Canada has with France.

As already pointed out, the argument in the matter of the re-export trade is largely hypothetical, but, in any case, it should not be forgotten that Lord Ripon himself speaks of it as already threatened.

Paragraph 52 of Lord Ripon's despatch reads:—

"In these circumstances, as preferential arrangements in which this country should be included, cannot, under present conditions, be considered a matter of practical politics, and as the clauses in the treaties do not, in the view of Her Majesty's Government, prevent inter-colonial preferential arrangements, Her Majesty's Government consider that it would not be prudent to contemplate the denunciation of the treaties at the present moment, bearing in mind that this could always be done on twelve months' notice, if circumstances should hereafter show it to be desirable."

Lord Ripon apparently forgets that in another part of the despatch he refers to the desirability of any inter-colonial arrangement being extended generally to the other colonies and to the Mother Country.

I have treated the subject at great length, in consequence of its importance, and I have arrived at the conclusion that, if England says to Germany and Belgium: "We are simply anxious to eliminate this colonial clause that prevents our having the same opportunity of treating British colonies in our own dependencies in the same way that every other country treats, with more favorable consideration, its colonists, and, if you will consent to that modification, we will leave the remainder

of the treaty as it is," the interests that Belgium and Germany have in the other portions of the treaty are so great that I believe that firm action on the part of Her Majesty's Government would have great effect, and that the difficulties in the way of preferential trade between Great Britain and her colonies would be removed.

ANOTHER OBJECTION ANSWERED.

But there is another point which is being brought forward. They say "We dare not adopt this policy that is proposed. We dare not impose a duty of 5 per cent. or 10 per cent. upon the products of foreign countries coming into England so as to favor our colonies, because, if we do, those countries will retaliate, and we shall have our great foreign trade interfered with." Retaliate—how can they retaliate? When you get a fence as high as it is possible to erect it, you cannot get it any higher. Knowing that England was bound hand and foot by this policy of free trade to which she had committed herself, that whatever they did they could do it with impunity, foreign countries have gone on building up their tariffs against her. Show me the country in the world that has exhibited the slightest appreciation of the magnificent generosity of England in doing what no other country in the world has done for them, that is, allowing them to send everything they manufacture or produce into the United Kingdom to strike down and paralyze British industry, agricultural and manufacturing, from one end of the country to the other, and yet receiving no consideration whatever. (Cheers.) We have had an opportunity of seeing how grateful countries are for the favor with which England has treated them. What is the fact with reference to the great Republic to the south of us? In 1890, when they sent 94,000,000 of American products into England without having to pay one farthing of duty, and only received something like 32,000,000 of British products in return into the United States of America, one would have supposed that that would satisfy the most greedy nation in the world so far as reciprocal trade was concerned. But it did not. What did they do? They sat down and devised a McKinley tariff, by which they could see how much more they could strike down this 32,000,000 which they were taking in exchange for 94,000,000. With what object? With the object of paralyzing the trade of the United Kingdom, with the object of ruining industries in the United Kingdom, and with the object of striking a severe blow at England's great dependency, the Dominion of Canada. (Applause.)

They not only constructed this McKinley Tariff to break down what little trade England was able to send into their country, but they adopted a reciprocal clause. With what object? Why, with the object of being able to say to the South American Republics, "Unless you give us the trade of your country, unless you shut out the trade that comes from Great Britain, and give your trade to the United States of America, we will impose special duties against you to force and compel you to do it." And the result was that under those clauses consul after consul throughout South America wrote to the Foreign Minister in London to point out that their trade was all being swept away by this grasping policy of the Great Republic. Now, I have not a word to say in reference to their adopting such a policy as may seem most wise and beneficial and advantageous to themselves; but I think you will agree with me, gentlemen, in the statement that they would not be the country that would venture to say that they must retaliate upon England if she imposed 10 per cent. duty in place of the 30 per cent. or 40 per cent. or 50 per cent. they impose.

(Applause.) Nor do I see how it would be possible for any country in the world to take such lines.

Lord Farrer, the great apostle of free trade, and a man who resists in the most strenuous way, of any person that I know in England, any attempt at favoring the outlying portions of the Empire in their commercial relations with the mother country, Lord Farrer says, "I am opposed to all restrictions of trade. I am unwilling to do anything that will cause trade restrictions." I say to him, "There is only one means by which you can remove the restrictions that limit and cabin and confine the trade of England, and that is by placing yourself in the position that if a country deals with you without the slightest consideration for the commercial advantages that you give her, you are not bound by any policy, however old, you are not bound and tied and prevented from considering the interests of the outlying portions of your own Empire in preference to those of foreign countries." I not only give you that as sound doctrine, as my belief that if you want to remove trade restrictions, if if you want to pull down those gigantic tariffs that are being built higher and higher to shut out the trade of England, the mode is the mode I suggest, the adoption of a policy by which a portion of the revenue of the United Kingdom shall be raised from the products of foreign countries which come in to compete with the interests of the people in the United Kingdom; but I say further, and perhaps I can best bring the point home to you by means of an illustration which actually occurred. I have read a portion of Lord Salisbury's speech at Hastings. In the course of that speech he said he was afraid the Government might have to arrive at the conclusion that if they could get no justice from foreign countries owing to being shackled and bound by the policy of free trade, they would have to consider the means by which they could retaliate upon those countries. It was only the expression of opinion, it was only the word of a single man, and yet what did it do? It contributed largely to the election of President Cleveland in the United States of America, and helped to bring about a very extensive modification of the McKinley tariff. That speech was delivered just at the time of the Presidential election. In the New York *Herald*, which was sent all over the States, great importance was attached to Lord Salisbury's speech. They represented him as saying "England is not going to stand those McKinley tariffs any longer," and they said to every farmer, every man engaged in exporting wheat in the United Kingdom: "If you want to keep the advantage you have got, we have got to change our policy and pull down this McKinley tariff and these increased taxes upon the commerce of other countries." I do not say that that speech elected President Cleveland, but I say that tens of thousands of the agriculturists and artisans in the United States, whose interest lay in maintaining the advantage that they had in free admittance to the English market, went to the polls to vote for the man who would pull down the McKinley tariff.

AMERICAN OPINION.

Therefore, I say that that speech of Lord Salisbury's at Hastings exercised a wide influence in removing tariff restrictions. (Applause.) It was said on the floor of the House of Commons that, not only would there be retaliation, but bitter animosity, and that people would complain of any such action on the part of the Parliament of the United Kingdom. But I sought in vain the columns of the American papers to find a single word of threat in reply to that speech. I found such statements as this, which was made by Representative McCall, of Winchester (Republican):

"His (Lord Salisbury's) idea of tariff, as expressed in his speech, is the idea of the Republican party. The McKinley bill, in numerous instances, recognized

that it was better to make our tariff laws with special reference to the tariff laws of other nations rather than to make a general law covering every case, and not providing for getting some benefit in return. Lord Salisbury's idea is reciprocity pure and simple. Undoubtedly England can, by levying a tariff against certain of our products which she consumes largely, compel us to make some concession to her. As Lord Salisbury says, that is business like. As we would say in America, that is reciprocity. I do not think the position of Lord Salisbury will strengthen the position of the so-called tariff reformers in this country who are trying to legislate for the benefit of the whole world, and not for America. The speech is good Republican campaign material."

So that the worst thing that resulted from the veiled threat of Lord Salisbury that England might be compelled, in order to get fair play from foreign countries, to take up this question of retaliatory duties, was, on the part of the United States, to strengthen at the polls the men who were disposed to pull down the high tariffs against Canada and the United Kingdom, and who declared that it would force them to the adoption of reciprocal arrangements with the Mother Country.

In dealing in Parliament with this subject on February 17th, 1891, Mr. Goschen said:

"I think it possible that the advantages of the consolidation of the Empire may be so great that, if the increase in the price of the loaf is extremely small, the producers, with whom the power now lies far more than with the consumers, may not object. I differ with the honorable member for Leeds, who supposed that if we had any customs union or arrangement by which favor was shown to the colonies, the United States would have a right to interfere. I do not think the United States would have a right to remonstrate or interfere in the way he suggested. The right honorable gentleman suggested England would be brought to her knees, but I must enter my protest against such an extreme view, that under no circumstances could we make any arrangements with our colonies without bringing in the other bread-producing countries. If we find we could make the whole Empire one as regards customs, surely we have the same right of Zollverein union as Germany has with Bavaria or the United States among themselves. I claim for ourselves the same right. We ought to have securities from the colonies, not merely that they would put a 5 per cent extra on foreigners, but that their tariff itself should be such as would be likely to protect this country from loss."

I give you, therefore, the opinion of the ablest men in the Government of the United Kingdom to show that there is nothing impracticable in carrying out this question of preferential trade, and that no foreign country could have the slightest right to complain. I venture to say that no foreign country would complain, if a small duty were imposed on the products of foreign countries, whilst those from the outlying portions of the Empire were allowed to go into the United Kingdom free. It is said, "You will increase the price of bread." Well, if wheat were worth a little more at Mark Lane than it is now, I don't think any of these ruined agriculturists would complain. I don't believe that it would increase the price of bread; but, presuming that it did, it would be an insignificant result, compared with the enormous advantages that would follow. I believe the day is not far distant when you will have the agriculturists of England standing side by side with the artisans and the men engaged in the manufacturing industries throughout that great country, standing shoulder to shoulder, and demanding that this policy shall be established, this policy which, we claim, would be so essential to the benefiting of the Empire, and would be, in the highest degree, advantageous to the carrying on of the industries of the Mother Country. (Applause.)

FAST STEAMSHIP SERVICE.

I want, now, to say a word or two with reference to the fast steamship service. You are so familiar with the subject, that I need not detain you at any length; but,

I am proud to say, that our efforts have at last culminated in success. With the aid of an able and distinguished man, and the Minister of a powerful Government, we have brought the question to a happy conclusion. I am able to speak on this subject, also, as a non-party question, because I am glad to say that the vote of £150,000 sterling for ten years was carried in Parliament without a single division, and the attitude of the conference in that regard was thus ratified.

Therefore, it is a question upon which all public men seem to be agreed, and I think every person who knows what the construction of the Canadian Pacific Railway has accomplished for Canada must acknowledge its importance. You have got a great inter-oceanic line of railway, constructed at vast expense and imposing a heavy charge upon the revenue of the country, and if you want to derive all the advantage that is susceptible of being derived from that line, you have got to supply the other link in the chain. You have got to have rapid communication with England just as you have with Australia and with China and Japan. You will then make Canada a great way of inter-communication between great and rapidly extending portions of the Empire. Canada will then have advantages that any person who looks at her geographical position will only wonder that she had not long ago. This great object may now be said to be already attained, for Mr. Chamberlain has stated that Her Majesty's Government are prepared to give us such substantial assistance as will bring the enterprise to a happy conclusion. But he says that they can give no aid to any line between Canada and England that does not attain a speed of 21 knots on a trial trip, and 20 knots across the ocean. Give us that and we are not only in a position to compete with the fastest ships that now run to New York, but we will be able to reach, not only vast portions of our own country, but a great part of the United States quicker than they can be reached in any other way. (Applause.) As I said, in my interview, the very day before I left England, when I had a long conversation with Mr. Chamberlain on this subject and the determination of the Imperial Government to take up this question with us:—"You are not only drawing the colonies physically closer to yourselves, but you are adding most valuable strands to the rope that strengthens the ties that bind the Mother Country to her colonies." I believe that the increased development and advantages that will accrue to Canada in consequence will be far in excess of anything that is disclosed.

I had a long interview with the President and Vice-President of the Grand Trunk Railway before I left London. I told the President I wanted their hearty co-operation and support in this great measure. He said:—"You shall have that. We recognize at once the enormous advantage it is going to be to Canada, to have this fast service. We do not see any immediate direct advantage that we are likely to obtain, but knowing that whatever benefits Canada is going to benefit the great enterprise in which we are engaged, we are heart and soul with you, and ready to do anything that lies in our power to assist in carrying this project to a prompt and thorough conclusion." I said, "I think I can point out to you that it is to the direct interest of you and your shareholders. One of the great features of this fast Atlantic service will be not only to provide accommodation to passengers that will be equal to any that can be found floating upon the ocean in any part of the world, it will not only be attractive to passengers and bring capitalists and other people through Canada that otherwise would never see it, but one of the leading features is to be that of cold storage. It is going to bring Canada within five days of the United Kingdom, and with an admirable cold storage arrangement you can send your dairy products, your beef and mutton, and cheese and butter, and eggs—every-

thing that is produced in this country of that kind, perishable things—you can have them distributed in the London market with the same facility and in as fresh and prime condition as they can be gathered from any of the provincial towns in any part of England. Your lines of communication all over Quebec and Ontario will be bringing down to the ocean this dairy produce for cold storage, and thus you will have an immediate and direct advantage that your shareholders will appreciate at a very early day." I am glad to be able to say that this proposal, which has now been brought to a happy conclusion, with the hearty sanction of the public men of all parties and all classes, will be of vast importance to the great lines of railway intercommunication, which are of such vital interest to us. Nothing is so damaging to the credit of Canada, nothing is so injurious to the commercial interests of this country, as for capitalists to find that they have invested their money in the country and that they do not get an adequate return. I say that every one of these measures that is calculated to expand the commerce, and increase the commercial facilities of the country, and enable capitalists to get a satisfactory return from their investments in Canada, is going to be of incalculable advantage to the whole country, from end to end.

A BRITISH VIEW.

I thank you for listening to me so patiently; but I want to say one more word for the benefit of those who are a little incredulous as to the progress that this great question is making in England. I will quote from the *Saturday Review*, one of the most independent and influential journals that is to be found in the United Kingdom, and in it you will find a word picture that illustrates the progress that this great question has made. But, before I do so, I may say—and I regard it as evidence of no unimportant character—that I met a gentleman who has long been a member of the House of Commons for a Welsh constituency, and he said to me: "Four of my colleagues who were doing business in the same town with myself, and who, like myself, were supporters of Lord Rosebery's Government, were defeated at the general election, whilst my majority was reduced by 1,000." I said: "You surprise me very much. You were for Welsh dis-establishment and everything the Welsh people wanted. How do you account for that?" He replied: "I will tell you, and when I do, I give you one of the most potent of all reasons that influenced the general elections. My 1,000 votes were taken off at the poll by the trade question. The people of this country, agriculturists and those engaged in manufacturing industries alike, have come to the conclusion that, under the present fiscal policy, the industries of Great Britain are not getting fair play from foreign countries. That was what defeated my colleagues, and that was what reduced my majority by 1,000 votes. I tell you this, that, at an early date, this principle you are advocating so strongly of having an import tariff upon goods from foreign countries coming into competition with our own, and of consolidating the Colonial Empire with the United Kingdom, is going to take such a position that people will be perfectly astonished and unprepared for." I mention that as an evidence of the faith that is in me, and as an overwhelming proof of what we may look for at an early date. And now as to the *Saturday Review*. It said, in its issue of the 4th inst. :—

"And as soon as America is conciliated we must proceed to set our house in order. The greater part of the emigration into the United States comes from these islands. It would need but little to deflect the major part of it from the American

Northwest to the Canadian Northwest. A 10 per cent differential duty in favor of our colonies would settle up Manitoba in ten years, instead of settling up Minnesota and Dakota. This differential duty would restore prosperity to New Zealand and enrich Australia and Canada, while reducing to hardship and to straits the population between the Alleghany Mountains and the Rockies, which is now clamoring for war. There is a kernel of good even in things evil. Pressure on the outside, science tells us, increases the cohesion between the units that compose the body corporate. The threat of war by America will cause Englishmen to hold more closely together, and will diminish that selfishness on the part of the mother country towards the colonies which has hitherto been regarded as the true commercial policy of the nation, and which has never deserved the name of policy, because it makes for disunion and not for union, for weakness and not for strength." (Loud applause.)

I agree with every word there except one, and that is, that the people between the Alleghanies and the Rockies are clamoring for war. (Hear, hear.) I believe that the people of the United States, like the people of Canada, appreciate too highly the blessings of peace; but, at the same time, no person can be surprised that the attitude taken by the President of the United States, and endorsed, as it apparently was, by the Senate and the House of Representatives, in regard to every portion under British rule on this continent, engaged the serious attention of this country. And I rejoice to say that this is another question which is not a matter of partisan politics. (Applause.) I have read with the most unfeigned satisfaction the statements made in the great organs of the Liberal party in this country, and I have been delighted to find that the press of Canada has uttered no uncertain sound. There is no Canadian who would not regret a war between the two great English-speaking families of the world as the most frightful calamity to which civilization could be subjected. There is no Canadian who does not appreciate to the full the gigantic and enormous interests that Canada has at stake in such a question, but, notwithstanding that, I have been delighted to find that, from ocean to ocean, neither public men nor any portion of the press have exhibited any uncertain sound—(applause)—and we present, to-day, the magnificent spectacle to the world of being prepared to stand side by side, shoulder to shoulder, men of all parties and men of all classes, in this country, without respect to race or creed, in defence of those glorious British institutions of which we are all so proud. (Loud applause.) Such a sight cannot, in my judgment, be over-rated by any intelligent man. It shows that our neighbors to the south, instead of looking to Canada as a country where they might find sympathizers with their policy to bring us under American control, would find that they would be confronted by the men of the North united as one man in favor of this great heritage—half a continent—that has been placed under our control. The effect upon the American mind will be of the greatest importance, for they will know that, while we feel it the first duty we owe to ourselves and our families to maintain the most pacific relations possible with our American neighbors, yet, at the same time, we have thrown in our lot with the Mother Country, and that we are, if necessary, prepared to do and die in maintaining the flag that, for over "a thousand years, has braved the battle and the breeze." (Great cheering.)

SIR CHARLES RETURNS THANKS.

On the motion of Mr. Hugh McLennan, seconded by Mr. Robert Reford, a hearty vote of thanks was accorded Sir Charles, who, in reply, said:—

I thank you very much for your very kind and enthusiastic reception of me to-day, and, I assure you that I feel very deeply the importance of having had the opportunity

of putting before you the views to which you have so patiently listened. I had no idea that I was encroaching upon your time so much—so great was the pleasure of addressing you—until I looked at my watch and found how long I had trespassed upon your patience. However, I want to say one word more, and that is in reference to a question to which, perhaps, the attention of Englishmen has been turned more within the last few weeks than for many years before, and that is the dependent position in which Great Britain stands as a country that has an import of £150,000,000 sterling of food products every year. The importance of a country that only raises one-sixth of the wheat she requires being placed in such a contingency as might occur at no distant date, in case of war, has brought the subject home to the people of England in a way that has not happened in a great many years. I had the pleasure of delivering an address to the Tyneside Agricultural Society, at Newcastle, shortly before I left England, and you can hardly imagine the astonishment with which they heard the statement I was able to make, that, in the Province of Manitoba and the Northwest Territories, where we had only touched the fringe of the wheat the Dominion possessed, we had this year produced more wheat than the whole of the United Kingdom. The importance of England depending for fruit and meat on importations from abroad, and the importance of her having half a continent here, within five days' sail, and easily protected by her fleet, able to furnish at an early date all the products that she would require, is a thought brought out in the *Saturday Review*, and it is one which is going to carry to the minds of the English, in a way that nothing else can, the vital importance of uniting the Mother Country and her colonies, and of her looking to the development of the outlying portions of her Empire in order to maintain that dominating position we are all so proud to know she possesses to-day, and which, I believe, wise arrangements in connection with her imperial possessions will enable her to occupy in a grander and more important degree in future. (Loud applause.)

"God Save the Queen" was then sung, and the gathering dispersed.

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